

Minority, Women, Small Business Enterprise Utilization Report

JULY 1, 2014 – DECEMBER 31, 2014

FY 2015 | MID-YEAR REPORT



CHARLOTTE.

MANAGEMENT & FINANCIAL SERVICES

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Dear Stakeholder,

The City of Charlotte is fully committed to expanding contracting diversity and business inclusion opportunities that support a robust and inclusive economy. This commitment was exemplified with the adoption of the Charlotte Business INclusion (CBI) Policy, which promotes diversity, inclusion, and local business opportunities for Minority, Women, and Small Business Enterprise (MWSBE) owned firms in the City's contracting and procurement.

The CBI Program is built on five strategic pillars - *economic development, customer service, internal operational efficiency, organizational capacity, and community impact*. Each of these pillars provides the strength and support throughout the organization to create a business climate that advances opportunities for MWSBEs.

Following is the Fiscal Year 2015 MWSBE Mid-Year Report. This report highlights the progress City departments and offices have made in MWSBE spending. In FY2015, the following two enhancements have been implemented to the report:

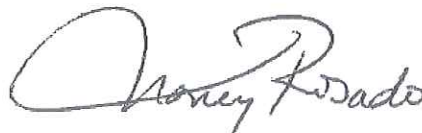
- Citywide Direct Discretionary Spend is now being reported as a combined MWSBE Utilization figure. In the past this table has only reported SBE spending. However, in FY15 the Economic Development & Global Competitiveness Focus Area Plan established a 10% Citywide direct spend goal with certified MWSBEs. This improved approach to reporting MWSBE utilization is supported by the City Council Economic Development & Global Competitiveness Committee (ED&GC) as it better reflects realistic MWSBE opportunities and the City's efforts in doing business with MWSBEs.
- Construction Subcontractor Spend with City certified MWSBEs is a new table that illustrates the number of active City-funded construction projects with pay-outs during the reporting period (July 1 through December 31, 2014). The table highlights total subcontractor payments reported by Prime Contractors on these projects, as well as the total dollars paid by prime contractors to City certified MWSBEs on these projects.

In closing, the City of Charlotte is committed to leveraging the power of a diversified and inclusive business community that recognizes and rewards the entrepreneurial spirit of our MWSBEs.

Sincerely,



Randy Harrington
Chief Financial Officer
Director of Management & Financial Services



Nancy Rosado
Charlotte Business INclusion Manager

Citywide Direct Discretionary¹ Spend with City Certified MWSBEs

FY 2015 kicked off an enhanced reporting process with the addition of tracking City certified Minority and Women Business Enterprise (MWBE) spending. The transition to the City Council adopted Charlotte Business INclusion Policy also introduced a new Minority, Women, Small Business Enterprise (MWSBE) spend goal by the Economic Development & Global Competitiveness Focus Area Plan, which established a 10% Citywide direct discretionary spend target with City certified MWSBEs. The 10% MWSBE Goal is based on tangible MWSBE spend opportunities, defined as those purchases and contracts where there is MWSBE availability in the City's vendor database and MWSBE capacity to support the spend opportunity.

In FY2015 the City also maintained its commitment to achieving a 5% Citywide goal for direct spending with City certified Small Business Enterprises (SBEs). As of December 31, 2014, the City is slightly under this goal, achieving 4.72%.

The table below illustrates the City's Discretionary¹ spending by department, as well as total MWSBE opportunity spending from July 1 through December 31, 2014. During this period, MWSBE spend opportunities totaled \$119,601,540, of which \$12,729,880 or 10.64% was spent with City certified MWSBE firms.

City Department/Office	Total Discretionary Spending	Total MWSBE Opportunity Spending	Total MWSBE Utilization (\$)	Total MWSBE Utilization (%)
Aviation	\$81,774,931	\$11,126,856	\$845,131	7.60%
Budget & Evaluation	\$22,859	\$22,301	\$4,825	21.63%
Charlotte Area Transit System	\$4,332,049	\$3,605,923	\$184,071	5.10%
Charlotte Department of Transportation	\$20,703,896	\$20,554,320	\$881,140	4.29%
Charlotte Fire Department	\$5,470,432	\$2,950,759	\$99,509	3.37%
Charlotte-Mecklenburg Police Department	\$4,922,533	\$3,901,828	\$109,630	2.81%
Charlotte Water	\$49,355,328	\$34,269,737	\$5,414,070	15.80%
City Attorney's Office	\$37,137	\$10,598	\$240	2.26%
City Clerk's Office	\$32,107	\$8,230	\$10	0.12%
City Manager's Office	\$683,292	\$672,881	\$20,658	3.07%
Engineering & Property Management	\$30,855,471	\$23,799,185	\$3,560,807	14.96%
Finance	\$1,436,586	\$1,205,210	\$96,812	8.03%
Human Resources	\$526,499	\$206,733	\$5,837	2.82%
Innovation & Technology	\$14,113,345	\$10,875,629	\$999,150	9.19%
Mayor's Office	\$17,399	\$17,019	\$10,071	59.17%
Neighborhood & Business Services	\$3,143,302	\$2,986,533	\$289,059	9.68%
Planning	\$289,890	\$274,232	\$40,802	14.88%
Shared Services	\$4,834,232	\$2,053,263	\$78,697	3.83%
Solid Waste Services	\$3,488,200	\$1,060,303	\$89,361	8.43%
Citywide	\$226,039,488	\$119,601,540	\$12,729,880	10.64%

¹ Discretionary spend is defined as expenditures where the City had a choice in making the overall procurement,

Citywide Direct Spend with Minority and Women-owned Businesses

Citywide Discretionary spending totaled \$226,039,488; of this amount, \$24,285,917 (10.74%) was spent with minority and women-owned businesses that may or may not be certified with the City of Charlotte, and also may or may not be headquartered in the Charlotte region. The following chart illustrates the City's performance as compared to target goals established in the 2011 Disparity Study.

Work Category	* Disparity Target %	M/WBE Utilization (%)	M/WBE Utilization (\$)	Total Discretionary Spending (\$)
Architecture & Engineering	12.13%	13.75%	\$1,764,392	\$12,829,122
Construction	27.47%	10.27%	\$10,367,884	\$100,941,874
Goods & Supplies	11.78%	6.49%	\$1,797,406	\$27,681,936
Other Services	15.87%	10.51%	\$7,864,921	\$74,856,708
Professional Services	12.13%	25.15%	\$2,491,314	\$9,729,848
TOTAL		10.74%	\$24,285,917	\$226,039,488

* Target derived from 2011 Disparity Study

Note that for the Construction and Goods and Supplies categories, the City must follow State bidding laws, and award contracts to the lowest responsive, responsible bidder, which limits the City's ability to meet the disparity targets.

Construction Subcontractor Spend with Minority and Women-owned Businesses

During the first six (6) months of FY2015, Prime Contractors reported subcontractor spending on City-funded construction projects totaling \$27,296,116; of this amount \$18,398,274 (67.40%) was spent with minority and women-owned businesses that may or may not be certified with the City of Charlotte, and also may or may not be headquartered in the Charlotte region.

Ownership	* Disparity Target %	M/WBE Utilization (%)	M/WBE Utilization (\$)
African American	11.73%	6.98%	\$1,893,160
Asian American	0.56%	1.84%	\$503,839
Hispanic/Latino	7.82%	6.71%	\$1,836,890
Native American	1.68%	1.89%	\$516,354
Non-Minority Female	19.71%	50.33%	\$13,648,032
TOTAL		67.40%	\$18,398,274

* Target derived from 2011 Disparity Study

Construction Subcontractor Spend with City Certified MWSBEs

During the first six (6) months of FY2015, Prime Contractors reported subcontractor spending on City-funded construction projects totaling \$27,296,116; of this amount \$16,685,568 (61.13%) was spent with City certified MWSBE subcontractors.

Department	# of Projects	Total Subcontractor Spend (\$)	Total MWSBE Utilization	
			Spend (\$)	Spend (%)
Aviation	13	\$11,855,965	\$9,617,103	81.11%
CATS	1	\$178,509	\$12,863	7.21%
CDOT	3	\$126,846	\$37,766	29.77%
Charlotte Water	16	\$4,636,575	\$319,447	6.89%
E&PM	93	\$10,498,221	\$6,698,389	63.81%
TOTAL		\$27,296,116	\$16,685,568	61.13%